

FISCAL IMPACT STATEMENT ON BILL NO. ***H.3170, as Amended by HW&M Committee***
(Doc. No. 20117SD07)

TO:	The Honorable Daniel T. “Dan” Cooper, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	February 8, 2007	SBD:	2007130

AUTHOR:	House Ways and Means Committee	PRIMARY CODE CITE:	59-104-25
SUBJECT:	LIFE and Palmetto Fellows Scholarships		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

This Bill, as amended by the committee, would amend the Code of Laws so as to provide for an additional stipend for Palmetto Fellows and LIFE scholarship recipients attending a 4 year public or private institution majoring in science or math. It provides an additional stipend for Palmetto Fellows and LIFE scholarship recipients of up to \$3,300 and \$2,500 respectively. To qualify for the additional stipend students must be at least a sophomore and may not receive the stipend for more than three years if in a four year program, or not more than four years if enrolled in a five year program.

EXPLANATION OF IMPACT:

Section 1 - (59-104-25)

The Commission on Higher Education (CHE) estimates the annual impact of this section using the total stipend amount of \$3,300 to be \$4,052,400 (1,228 students x \$3,300). The student estimate was based on Fall 2005 Palmetto Fellows scholarship data with an estimated growth factor of 10% to account for students who are undecided or undeclared with regard to a major, but who may choose to major in one of there areas based on the additional stipend available.

Section 2 – (59-149-15)

The estimated annual impact of this section using the total stipend amount of \$2,500 is \$11,400,000 (4,560 students x \$2,500). The estimate is based on Fall 2005 LIFE scholarship data with an estimated growth factor of 10% to account for students who are undecided or undeclared with regard to a major, but who may choose to major in one of there areas based on the additional aid available.

Recapitulation

The estimated total impact of this draft Bill is \$15,452,400. **However, it should be noted that CHE has no data upon which to estimate the cost associated with those provisions of the Bill allowing students to qualify to receive the stipend for an additional year if enrolled in a five-year degree program.** CHE does not anticipate significant additional administrative costs assuming most of the additional verification processes will be implemented at the institutional level. Enactment would likely increase administrative responsibilities for the institutions for which there is no current estimated impact available.

The impact on the General Fund of the State is at the General Assembly's discretion. This initiative could be funded with State General Funds and/or Education Lottery funds.

<u>Estimated Impact</u>					
	<u>Freshmen</u>	<u>Sophomore</u>	<u>Junior</u>	<u>Senior</u>	<u>Total</u>
Section 1 - Palmetto Fellows	-	\$1,071,265	\$1,421,430	\$1,559,705	\$4,052,400
Section 2 - LIFE - 4-Yr. Inst	-	\$3,792,000	\$4,038,250	\$3,569,750	\$11,400,000
Total	\$0	\$4,863,265	\$5,459,680	\$5,129,455	\$15,452,400

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget